

United States
Lease Financing. Inc.



733 Front Street
San Francisco, California 94111
(415) 627-9276
Telex: 278031 USLF UR

RECORDATION NO. 6035-A Filed & Recorded

SEP 15 1986 3-00 PM

INTERSTATE COMMERCE COMMISSION

September 10, 1986

Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N. W.
Washington, D.C. 20423

Attention: Mrs. Mildred Lee, Room 2303

Gentlepersons:

Enclosed for recordation under the provisions of Section 11303 (formerly 20c) of the Interstate Commerce Act and the regulations promulgated thereunder, as amended, is an original and three counterparts of a Release of Security Interest which document is a supplement to a Chattel Mortgage, Assignment of Rents and Security Agreement dated as of December 23, 1968. Said Agreement was filed with the Interstate Commerce Commission on December 23, 1968 and assigned ICC Recordation Number 6035.

The names and addresses of the parties to the enclosed are:

MORTGAGOR: D. E. Mundell and Donovan S. Thayer,
Co-Trustees Under a Trust Agreement dated as of
August 1, 1968 and United States Leasing
International, Inc., Solely as Agent for the
Trustees
733 Front Street
San Francisco, California 94111

MORTGAGEE: Continental Assurance Company
CNA Plaza
Chicago, Illinois 60685

The general description of the equipment is contained in the Schedules to the Security Agreement.

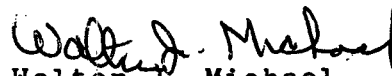
We are acting on behalf of our parent company which is the Agent for the Mortgagor, and we ourselves have knowledge of the matter set forth herein.

September 10, 1986
Page 2

Enclosed is a remittance in the amount of \$10.00 covering the required recording fee.

Please return three recorded copies to the undersigned.

Very truly yours,


Walter J. Michael
Treasurer
415/627-9283

WJM:cb

Encl

6038-14

RECORDATION NO. _____ Filed & Recorded

DLC 23 1968 - 010 ASI

INTERSTATE COMMERCE COMMISSION

AMENDMENT

Dated as of December 1, 1968

of

CONDITIONAL SALE AGREEMENT

Dated as of November 20, 1968

among

LEASE FINANCING CORPORATION

FRAZER LEASING CORPORATION

and

PENN CENTRAL COMPANY

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AMENDMENT
TO
CONDITIONAL SALE AGREEMENT

THIS AMENDMENT TO CONDITIONAL SALE AGREEMENT dated as of December 1, 1968 among LEASE FINANCING CORPORATION, a Pennsylvania corporation (hereinafter called the Vendor or Seller as more particularly set forth herein), FRAZER LEASING CORPORATION, a Pennsylvania corporation (hereinafter called the Vendee) and PENN CENTRAL COMPANY, a Pennsylvania corporation (hereinafter sometimes called the Guarantor).

WHEREAS, the Seller, the Vendee and the Guarantor have heretofore entered into a conditional sale agreement, dated as of November 20, 1968 (hereinafter called the Agreement) in the form annexed hereto as Annex A by which the Seller sold certain used railroad equipment described in Annex A to the Agreement and Annex B hereto (hereinafter called the Equipment) to the Vendee and the Guarantor guaranteed the due and punctual payment of certain sums payable by, and the due and punctual performance of all other obligations of, the Vendee under the Agreement; and

WHEREAS, the Vendee and the Guarantor have heretofore entered into a Railroad Equipment Reconstruction Agreement, dated as of November 20, 1968 (hereinafter called the Reconstruction Agreement) in the form of Annex C hereto by which Guarantor agreed to rebuild the Equipment for the reconstruction costs set forth in Annex B hereto; and

WHEREAS, the Vendee and the Guarantor desire that the Seller provide the financing of the reconstruction costs and Seller is willing to include the reconstruction costs under the terms of the Agreement; and

WHEREAS, the Seller, the Vendee and the Guarantor desire to amend the Agreement;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree to amend the Agreement in full as follows:

Article 1. Construction and Sale. Pursuant to this Agreement, the Seller will sell and deliver the Equipment to the Vendee and the Vendee will purchase from the Seller and accept delivery of and pay for (as hereinafter provided) the Equipment.

Article 2. Delivery. The Seller will deliver the Equipment to the Vendee, at the point specified in, and in accordance with, the delivery schedule set forth in Annex A hereto.

Any Equipment not reconstructed, delivered and accepted pursuant to Article 3 hereof on or before December 31, 1968 (unless such date is extended by the Vendee and the Vendor by appropriate written agreement), shall be excluded

from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion the Vendor, the Vendee and the Guarantor shall execute an agreement supplemental hereto limiting this Agreement to the Equipment theretofore delivered, accepted and settled for hereunder and a separate agreement shall be entered into between the Seller and the Guarantor for the purchase of such excluded Equipment by the Guarantor on the terms herein specified, payment to be made in cash on delivery of such Equipment either directly or by means of a conditional sale, equipment trust or such other appropriate method of financing the purchase as the Guarantor and the Seller shall determine.

The Equipment shall be subject to inspection and approval prior to delivery by inspectors or other authorized representatives of the Vendee (who may be employees of the Guarantor). Such inspector or representative shall execute and deliver to the Seller, in such number of counterparts or copies as may reasonably be requested, a certificate of acceptance (hereinafter called the Certificate of Acceptance) stating that such unit or units have been inspected and accepted on behalf of the Vendee.

On acceptance of each of the units of Equipment hereunder on behalf of the Vendee as aforesaid, the Vendee assumes with respect thereto the responsibility and risk of loss.

Article 3. Purchase Price and Payment. The total price per unit of the Equipment, including reconstruction price, is set forth in Annex A hereto. The term "Purchase Price" as used herein shall mean the total price. If on the Closing Date (as hereinafter defined) the aggregate of the invoiced Purchase Prices for which settlement is then being made would, but for the provisions of this sentence, exceed \$2,794,426, the Seller (and any assignee of the Seller) and the Guarantor will, upon request of the Vendee, enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for, specified by the Vendee, as will reduce such aggregate invoiced Purchase Price to not more than \$2,794,426 and the Guarantor agrees to purchase any such unit or units so excluded from the Agreement from the Seller for cash on the date such unit or units would otherwise have been settled for under this Agreement.

Settlement for the Equipment shall take place on such date as may be designated by written notice from the Seller to the Vendee; the Equipment to be settled for on such date to consist of all the Equipment for which invoices, reconstruction invoices of the Guarantor and Certificates of Acceptance have been presented by the Guarantor and the

Seller to the Vendee at least five business days prior to such date (or such lesser number of days as may be agreed to by the Vendee). The Seller shall give telephone or telegraphic notice (confirmed by writing) to the Vendee and any assignee of the Seller of the date for settlement for the units of the Equipment (hereinafter called the Closing Date) describing the Equipment to be settled for and the Purchase Price thereof not less than five business days prior to the Closing Date designated therein. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and holidays.

The Vendee hereby acknowledged itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) On the Closing Date an amount equal to 17.6932937% of the Purchase Price of the Equipment plus the amount by which 82.306706% of the Purchase Price of the Equipment exceeds \$2,300,000. and

(b) In 24 semi-annual installments, as hereinafter provided, an amount equal to 82.306706% of the Purchase Price of the Equipment or \$2,300,000. whichever is less (herein called the Conditional Sale Indebtedness).

If this Agreement shall have been assigned by the Seller, the obligation of the Vendee under subparagraph (a) of the preceding paragraph of this Article 3 shall be an unsecured obligation and the Seller shall not have any lien on or security interest in or claim against the Equipment or any part thereof with respect to such obligation.

The first installment of the Conditional Sale Indebtedness shall be payable on July 1, 1972, and subsequent installments shall be payable semi-annually thereafter on each January 1 and July 1 to and including January 1, 1981 (or if any such date is not a business day on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from the Closing Date at the rate of seven and one-half percent (7.50%) per annum and such interest shall be payable, to the extent accrued, on each July 1 and January 1, commencing July 1, 1969. The principal amount of Conditional Sale Indebtedness payable on each of the 18 semi-annual Payment Dates shall be calculated on such a basis that the aggregate of the principal and interest payable on each Payment Date shall be substantially equal and such 18 installments of principal and interest will completely amortize the Conditional Sale

Indebtedness. The Vendee will furnish to the Vendor and the Guarantor at the Closing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date.

Interest under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

The Vendee will pay interest at the rate of 8% per annum upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Article 5 hereof, the Vendee shall not have the privilege of pre-paying any of the Conditional Sale Indebtedness prior to the date it becomes due.

The parties hereto contemplate (subject to the limitations set forth in the first paragraph of this Article 3) that the Vendee will furnish that portion of the Purchase Price for the Equipment as is required under subparagraph (a) of the third paragraph of this Article 3 and that an amount equal to the balance of such Purchase Price shall be paid to the Seller by an assignee of the Seller's right, title and interest under this Agreement pursuant to an Agreement and Assignment in the form annexed hereto between the Seller and The Fidelity Bank, as Agent (such Agreement and Assignment being hereinafter called the Assignment and such Bank being hereinafter called the Assignee).

It is agreed that the obligation of the Vendee to pay to the Seller any amount required to be paid pursuant to the third paragraph of this Article 3 with respect to the Equipment is specifically subject to the following conditions:

(a) The Assignee shall concurrently pay or cause to be paid to the Seller the amounts contemplated to be paid by it as provided in the preceding paragraph of this Article 3 and Section 5 of the Assignment and the documents required by Section 5 of the Assignment shall have been delivered; and

(b) the Seller shall concurrently pay or cause to be paid to the Guarantor on behalf of the Vendor the reconstruction price for each unit of Equipment as set forth in Annex A hereto; and

(c) No event of default of the Guarantor specified herein or of the Lessee under the Lease or any event which with the lapse of time and/or notice provided for herein or in the Lease would constitute such an event of default shall have occurred and be continuing.

Notwithstanding any other provisions of this Agreement, it is understood and agreed by the Vendor that liability of the Vendee for all payments to be made by it under and pursuant to this Agreement, with the exception only of the payments to be made pursuant to subparagraph (a) of the third paragraph of Article 3 hereof, shall not exceed an amount equal to the income and proceeds from the Equipment. As used herein the term "income and proceeds from the Equipment" shall mean, if one of the events of default specified in Article 17 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are

indefeasibly received by the Vendee at any time after such event and during the continuance thereof: (x) all amounts of rental and amounts in respect of Casualty Occurrences paid for or with respect to the Equipment pursuant to the Lease, and (y) any and all payments or proceeds received by the Vendee for or with respect to the Equipment as the result of the sale, lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition and shall mean at any other time only that portion of the amounts referred to in the foregoing clauses (x) and (y) as are indefeasibly received by the Vendee and as shall equal the portion of the Conditional Sale Indebtedness and/or interest thereon. It is understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (x) and (y) which were received by the Vendee prior to the existence of such an event of default and which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness with interest thereon. It is further specifically understood and agreed that nothing contained herein limiting the liability of the Vendee shall derogate from the right of the Vendor to proceed against the Equipment or the Guarantor as provided for herein for the full unpaid Purchase Price of the Equipment and interest thereon, and all other amounts payable to the Vendor hereunder. The Vendor agrees, however, that in the event it shall obtain a judgment against the Vendee for an amount in excess of the amounts payable by the Vendee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount.

Article 4. Title to the Equipment. The Vendor shall and hereby does retain the full legal title to and property in the Equipment until the Vendee shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee or the Guarantor as herein provided.

Except as otherwise specifically provided in Article 5 hereof, when and only when the Vendor shall have been paid the full amount of the Conditional Sale Indebtedness, together with interest and all other payments as herein provided, and all the Vendee's obligations herein contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Vendee, will execute appropriate instruments confirming such passage to the Vendee of title to and property in the Equipment free of all liens, security interests and

other encumbrances created or retained hereby and deliver such instruments to the Vendee at its address specified in Article 23 hereof, and will execute in the same manner and deliver at the same place, for filing, recording or depositing in all necessary public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to the Equipment, and will pay to the Vendee any money paid to the Vendor pursuant to Article 5 hereof and not theretofore applied as therein provided.

The Vendee hereby waives and releases any and all rights existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instruments or to file such certificate within a reasonable time after written demand of the Vendee.

Article 5 Casualty Occurrence and Insurance. In the event that any Equipment shall be or become worn out, lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences), the Vendee shall, within 30 days after it shall have determined that such equipment has suffered a Casualty Occurrence cause the Vendor to be fully informed in writing in regard thereto, including in such information a statement of the causes or reasons for such Casualty Occurrence. On the next succeeding January 1, or July 1, whichever is the earlier, the Vendee shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined) of such Equipment suffering a Casualty Occurrence as of the date of such payment and shall file with the Vendor a certificate setting forth the determination of the Casualty Value of such unit.

Upon payment by the Vendee to the Vendor of the Casualty Value of any Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Vendee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Vendee, will execute and deliver to the Vendee, at the expense of the Vendee, an appropriate instrument confirming such passage to the Vendee of title to and property in such Equipment, in recordable form, in order that the Vendee may make clear upon the public records the title of the Vendee thereto.

The Casualty Value of the Equipment shall be deemed to be that portion of the original Purchase Price of the unit or units suffering a Casualty Occurrence thereof remaining unpaid on the date on which such Casualty Value is required to be paid. For the purposes of this paragraph each payment of the Purchase Price in respect of a unit of Equipment made pursuant to Article 3 hereof shall be deemed to be a payment on each unit of the Equipment in like proportion as the original Purchase Price of such unit of Equipment bears to the aggregate original Purchase Price of all units of Equipment.

Any money paid to the Vendor as hereinabove provided in this Article 5 shall, so long as no default shall have occurred and be continuing hereunder, be applied to the pro rata prepayment on the next succeeding January 1, or July 1, whichever is the earlier, of each installment of the Conditional Sale Indebtedness remaining unpaid (in proportion to the principal amount of Conditional Sale Indebtedness represented by each such installment). The Vendee will promptly furnish to the Vendor a revised schedule of payments of principal and interest thereafter to be made to be calculated in the manner set forth in the fifth paragraph of Article 3 hereof. The Vendee will also pay to the Vendor on the date payment is required to be made of the Casualty Value, all interest accrued and unpaid on any Conditional Sale Indebtedness to be prepaid.

If an Event of Default shall have occurred and be continuing hereunder, all money held by the Vendor pursuant to this Article 5 shall be applied by the Vendor as if such money were received upon the sale of Equipment pursuant to Article 18 hereof.

Although the Guarantor shall not be required to maintain insurance on any unit of the Equipment the Guarantor agrees that the benefits of any insurance maintained by it upon the units of the Equipment will be made available to the Vendor and the Vendee as their interests may appear, to the extent the Guarantor is permitted to do so under such policies of insurance.

Article 6. Obligations of Guarantor. The Guarantor for value received hereby unconditionally guarantees to the Vendor by endorsement (through its execution hereof) the due and punctual payment of that portion of the Purchase Price of the Equipment payable pursuant to subparagraph (b) of the third paragraph of Article 3 hereof and interest thereon and the due and punctual performance of all other obligations of the Vendee and the

due and punctual payment of any and all sums payable by the Vendee under this Agreement (except for the obligations of the Vendee and sums payable by the Vendee pursuant to subparagraph (a) of the third paragraph of Article 3 hereof) when due, whether at stated maturity or by declaration or otherwise; and in case any such payments or obligations are not so made or performed the Guarantor agrees punctually to pay or perform the same irrespective of any enforcement against the Vendee of any of the rights of the Vendor hereunder.

The Guarantor hereby agrees that its obligations hereunder shall be unconditional (and shall not be subject to any defense, setoff, counter-claims or recoupment whatsoever) irrespective of the genuineness, validity, regularity or enforceability of this Agreement or any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or guarantor and irrespective of the last paragraph of Article 3 hereof or any other circumstances which might otherwise limit the recourse of the Vendor to the Vendee. The Guarantor hereby waives diligence, presentment, demand of payment, protest, any notice of any assignment hereof in whole or in part or of any default hereunder and all notices with respect to this Agreement and all demands whatsoever hereunder. No waiver by the Vendor of any of its rights hereunder and no action by the Vendor to enforce any of its rights hereunder or failure to take, or delay in taking, any such action shall affect the obligations of the Guarantor hereunder.

In the event that the Guarantor shall make any payments to the Vendor on account of its guaranty hereunder, the Guarantor hereby covenants and agrees that it shall not acquire any rights, by subrogation or otherwise, against the Vendee or with respect to any of the units of the Equipment by reason of such payments, all such rights being hereby irrevocably released, discharged and waived by the Guarantor; provided, however, that after the payment by the Guarantor to the Vendor of all sums payable under this Agreement, the Guarantor shall, by subrogation, be entitled to the rights of the Vendor against the Vendee by reason of such payment, to the extent, but only to the extent, that the Vendee has received income and proceeds from the Equipment (as defined in Article 3 hereof) and has not applied amounts equal to such income and proceeds to the payment, in accordance with this Agreement and subject to the limitations contained in said Article 3 of sums payable by the Vendee to the Vendor hereunder.

Article 7. Maintenance and Repairs; Operation. The Vendee agrees that, at its own cost and expense, it will maintain and keep all the Equipment in good order and repair. The Vendee agrees that during the period that any portion of the Conditional Sale Indebtedness in respect of any Group remains outstanding and unpaid, the Vendee will not assign or permit the assignment

of any Equipment to service involving the regular operation and maintenance thereof outside the United States of America and that during such period any use of any Equipment outside the United States of America will be limited to incidental and temporary use in Canada or Mexico.

Article 8. Reports and Inspections. On or before March 1 in each year commencing with the year 1970 the Vendee will cause to be furnished to the Vendor an accurate statement as of the preceding January 1 (a) showing the amount, description and numbers of the Equipment then covered hereby, the amount and description of all the Equipment that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of delivery hereunder of the Equipment, in the case of the first such statement as to Casualty Occurrences), and such other information regarding the condition and state of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all units of the Equipment repainted or repaired during the period covered by such statements, the markings required by Article 9 hereof have been preserved or replaced.

Article 9. Identification Marks. The Vendee will cause each unit of Equipment to be kept numbered with its identifying number as set forth in Annex A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each such unit in letters not less than one inch in height, the words, "THE FIDELITY BANK, PHILADELPHIA, PA., AGENT-OWNER" or other appropriate words designated by the Vendor with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Vendor to such unit and the rights of the Vendor under this Agreement. The Vendee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such names and word or words shall have been so marked thereon and will replace or cause to be replaced promptly any such names and word or words which may be removed, defaced or destroyed. The Vendee will not permit the identifying number of any such unit of Equipment to be changed except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded or deposited in all public offices where this Agreement will have been filed, recorded or deposited.

Except as above provided, the Vendee will not allow the name of any person, association or corporation to be placed on any Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Vendee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Vendee or the Guarantor or its affiliates on railroad equipment used by it of the same or similar type for convenience of identification of the interests of the Vendee and the Guarantor therein.

Article 10. Taxes. All payments to be made to the Vendee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state or federal or canadian (dominion or Provincial) taxes (other than net income, gross receipts (except gross receipts in the nature of or in lieu of sales taxes), excess profits and similar taxes) licenses, charges, fines or penalties hereafter levied or imposed upon, or in connection with, or measured by, this Agreement or any sale, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes, licenses, charges and penalties the Vendee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Vendee will also pay promptly all taxes, assessments, license fees, charges, fines or penalties (hereinafter called "impositions") which may be imposed upon the Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the title of the Vendor or result in a lien upon any Equipment; provided, however, that the Vendee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Vendee shall reimburse the Vendor on presentation of an invoice therefor.

Article 11. Compliance with Laws and Rules. During the term of this Agreement, the Vendee will comply and will cause any lessee of the Equipment to comply in all respects with all laws of the jurisdictions in which operations involving the Equipment may extend, with the Interchange Rules of the Association of American Railroads, if applicable, and with all lawful rules of the Department of Transportation and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment to the extent that such laws and rules affect the operation or use of the Equipment. In the event that such laws or rules require the alteration of the Equipment, or in case any Equipment or appliance on the Equipment shall be required to be changed or replaced, or in case any additional or other Equipment or appliance is required to be installed on the Equipment in order to comply with such laws, regulations, requirements and rules, the Vendee agrees to make such alterations, changes, additions and replacements at its own expense and the Vendee will use, maintain and operate the Equipment in full compliance with such laws, regulations, requirements and rules so long as it is subject to this Agreement; provided, however, that the Vendee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder.

Article 12. Possession and Use. The Vendee, so long as it shall not be in default under this Agreement, shall be entitled from and after delivery of the Equipment by the Seller to the Vendee to the possession of the Equipment and the use thereof but only upon and subject to all the terms and conditions of this Agreement.

The Vendee may lease the Equipment to the Lessee or its assigns as permitted by, and for use as provided in, the Lease, provided, however, and the Lessee hereby acknowledges, that if and only if the Lessee shall be in default under the Lease, or in its capacity as Guarantor, in default hereunder, the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights and shall be subject to the remedies of the Vendor under this Agreement; but, so long as the Lessee shall not be in default under the Lease or, in its capacity as Guarantor, in default hereunder, it shall be entitled to possession of the Equipment. The Vendee hereby agrees that it will not exercise any of the remedies provided in the case of an Event of Default under and as defined in the Lease unless it shall notify the Vendor in writing of its intended exercise thereof and hereby further agrees to furnish to the Vendor copies of all summonses, writs, processes and other documents served by it upon the Lessee or served by the Lessee upon it in connection therewith.

So long as no Event of Default shall have occurred and be continuing hereunder, the Vendee shall be entitled to the possession of the Equipment and the Equipment may be used upon the lines of railroad owned or operated by the Lessee (or any other railroad company approved by the Vendor) or upon lines of railroad over which the Lessee has trackage or other operating rights or over which railroad equipment of the Lessee is regularly operated pursuant to contract, trackage or other operating rights and the Equipment may be used upon other railroads in the usual interchange of traffic (if such interchange is customary at the time), but only upon and subject to all the terms and conditions of this Agreement. The Vendee may also lease the Equipment to any other railroad company with the prior written consent of the Vendor, provided that the rights of such lessee are made expressly and unconditionally subordinate to the rights and remedies of the Vendor under this Agreement as herein provided.

Article 13. Prohibition Against Liens. The Vendee will pay or satisfy and cause to be duly discharged any and all sums claimed by any party by, through or under the Vendee or its successors or assigns, which, if unpaid, might become a lien, charge or security interest or other encumbrance upon any Equipment including any accession thereto, equal or superior to the title of the Vendor thereto but the Vendee shall not be required to pay, satisfy or cause to be discharged any such claim so long as the the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor in such Equipment.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due

and delinquent, or undetermined or inchoate materialmen's mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

Article 14. Indemnities and Warranties. The Vendee agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever regardless of the cause thereof and expenses in connection therewith including counsel fees arising out of retention by the Vendor of title to the Equipment or out of the use and operation thereof during the period when title thereto remains in the Vendor; This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price and the conveyance of the Equipment, as provided in Article 4 hereof, or the termination of this Agreement in any manner whatsoever.

Except as provided in Article 5 hereof, the Vendee will bear the risk of, and shall not be released from its obligations hereunder in the event of a Casualty Occurrence after delivery to and acceptance thereof by the Vendee hereunder.

Except as expressly provided in this Agreement, the Seller gives no warranties, express or implied, with respect to the Equipment, except as to its title to the Equipment.

The Seller agrees that neither the inspection as provided in Article 2 of this Agreement, nor any examination, nor the acceptance of any units of Equipment as provided in said Article 2 shall be deemed a waiver or a modification by the Vendee of any of its rights under this Article 14.

Article 15. Patent Indemnities. The Vendee will indemnify, protect and hold harmless the Vendor from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor because of the use in or about the construction or operation of the Equipment of any design, which infringes or is claimed to infringe on

any patent or other similar right. Said covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due hereunder, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

Article 16. Assignments. The Vendee will not sell, assign or transfer its rights under this Agreement or, except as provided in Article 12 hereof, transfer the right to possession of the Equipment; provided, however, that the Vendee may so sell, assign or transfer its rights under this Agreement and the possession of the Equipment if such sale, assignment or transfer is made expressly subject in all respects to the rights and remedies of the Vendor hereunder.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Vendee and the benefits arising from the undertakings of the Guarantor hereunder, may be assigned by the Vendor and reassigned by an assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Seller from, any of the obligations of the Seller to deliver the Equipment in accordance herewith or to respond to its agreements contained in this Agreement or relieve the Vendee or the Guarantor of their respective obligations to the Seller contained or referred to in Articles 1, 2, 3, 6, 10 and 15 hereof and the last paragraph of this Section 16 or any other obligation which, according to its terms and context is intended to survive an assignment.

Upon any such assignment either the assignor or the assignee shall give written notice to the Vendee and the Guarantor together with a counterpart or copy of such assignment stating the identity and post office address of the assignee and such assignee shall, by virtue of such assignment, acquire all of the Vendor's right, title and interest in and to the Equipment, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee and the Guarantor, respectively, of the notification of any such assignment, all payments thereafter to be made by the Vendee or the Guarantor hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice.

The Vendee and the Guarantor recognize that it is the custom of railroad equipment sellers to assign agreements of this character and understand that the assignment of this Agreement or of some or all of

the rights of the Vendor hereunder is contemplated. The Vendee and the Guarantor expressly represent, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Vendor as hereinbefore provided the rights of such assignee to the entire unpaid Purchase Price of the Equipment or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Seller or the Guarantor as the rebuilder of the Equipment with respect to the Equipment or the delivery or assignment of warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Guarantor by the Seller or to the Guarantor as the rebuilder of the Equipment. Any and all subh obligations howsoever arising shall be and remain enforceable by the Vendee or the Guarantor, as the case may be, against and only against the Seller or the Guarantor only as the rebuilder of the Equipment.

In the event of any such assignment or successive assignments by the Vendor of title to the Equipment and of the Vendor's rights hereunder with respect thereto, the Vendee will, whenever requested by such assignee, change the names and word or words to be marked on each unit of railroad rolling stock included in the Equipment pursuant to the Equipment with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Equipment shall be operated relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment.

The Vendee and the Guarantor will, in connection with settlement for the Equipment, deliver to the Assignee, at the time of delivery by the Vendee of notice fixing the Closing Date, all documents required by the terms of the Assignment to be delivered to the Assignee in connection with such settlement, in such number of counterparts as may reasonably be requested, except for any opinion of counsel for the Assignee.

If this Agreement shall have been assigned by the Seller and the Assignee shall not make payment to the Seller on the Closing Date of an amount equal to the Conditional Sale Indebtedness, the Seller will promptly notify the Vendee and the Guarantor of such event and, if such amount shall

not previously have been paid by the Assignee or the Vendee, the Guarantor will not later than 90 days after the Closing Date purchase or cause to be purchased any such unit from the Seller for cash, together with interest thereon from such Closing Date to the date of payment by the Guarantor at the prime rate of interest of leading New York City banks in effect at such Closing Date and title to any Equipment with respect to any such unpaid Conditional Sale Indebtedness shall be transferred to Guarantor or such party as Guarantor may designate.

Article 17. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) The Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due hereunder and such default shall continue for five days; or

(b) The Vendee or the Guarantor shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) Any proceedings shall be commenced by or against the Vendee or the Guarantor for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and unless such proceedings shall have been discontinued, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee or the Guarantor, as the case may be, under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Vendee or the Guarantor or for the property of the Vendee or the Guarantor in connection with any such proceedings or otherwise given the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(d) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Guarantor and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Guarantor under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(e) The Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Vendee and the Guarantor and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the rights of the Lessee referred to in Article 12 hereof, cause the Lease immediately upon such notice to terminate (and the Vendee and the Guarantor each acknowledge the right of the Vendor to terminate the Lease) and/or (ii) declare (hereinafter called a Declaration of Default) the entire unpaid Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such Purchase Price and such interest shall bear interest from the date of such declaration at the rate of 8% per annum and the Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee (subject to the provisions of the last paragraph of Article 3 hereof) or the Guarantor wherever situated.

The Vendor may waive any such event of default and its consequences and rescind any Declaration of Default or notice of termination of the Lease by notice to the Vendee and the Guarantor in

writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no Declaration of Default or notice of termination of the Lease had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee and the Guarantor that time is of the essence of this Agreement and that no such waiver or rescission shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

Article 18. Remedies. At any time during a Declaration of Default, the Vendor may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Vendor (subject to the rights of the Lessee under the Lease referred to in Article 12 hereof) take or cause to be taken by its agent or agents immediate possession of the Equipment, or any unit thereof, without liability to return to the Vendee or the Guarantor any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 18 expressly provided, and may remove the same from possession and use of the Vendee or anyone having such possession and use and for such purpose may enter upon the premises of the Vendee or the Guarantor or where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee or the Guarantor, with or without process of law.

In case the Vendor shall rightfully demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a point or points upon the lines of the Guarantor for the delivery of the Equipment to the Vendor, the Guarantor shall, at its own expense, forthwith and in the usual manner, cause the Equipment to be moved to such point or points as shall be reasonably designated by the Vendor and shall there deliver the Equipment or cause it to be delivered to the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on any of the lines of railroad or premises of the Guarantor until the Vendor shall have leased, sold or otherwise disposed of the same. For such purposes the Guarantor agrees to furnish, without charge for rent or storage, the necessary facilities at any reasonably convenient point or points selected by the Vendor. This agreement to deliver the Equipment as hereinbefore provided is of the essence of this Agreement between the parties, and, upon application to any court of equity having jurisdiction

in the premises, the Vendor shall be entitled to a decree against the Vendee and/or the Guarantor requiring specific performance hereof; provided, however, if the Guarantor is in possession of the Equipment the Vendor shall be entitled to such a decree only against the Guarantor. The Vendee and the Guarantor hereby expressly waive any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 18 provided) may at its election and upon such notice as hereinafter set forth retain the Equipment in satisfaction of the entire indebtedness in respect of the Purchase Price of the Equipment and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Vendee and the Guarantor by telegram or registered mail, addressed as provided in Article 23 hereof, and to any other persons to whom the law may require notice within 30 days after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all rights of the Vendee in the Equipment will thereupon terminate and all payments made by the Vendee or the Guarantor may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Vendee, before the expiration of the 30-day period described in the proviso below should pay or cause to be paid to the Vendor the total unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee; and provided, further, that if the Vendee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law.

At any time during the continuance of a declaration of default, the Vendor with or without the retaking of possession of the Equipment at its election and upon reasonable notice to the Vendee, the Guarantor and

to any other persons to whom the law may require notice of the time and place, may sell the Equipment, or any unit thereof, free from any and all claims of the Vendee, or of any other party (including the Guarantor) claiming by, through or under the Vendee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if prior to such sale or prior to the making of a contract for such sale, the Vendee should tender full payment of the entire indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking, holding and preparing the Equipment for disposition and arrangement for the sale and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale, or of any lease or other disposition of the Equipment as provided hereunder, less the attorneys' fees and any other expenses incurred by the Vendor in taking possession of, removing, storing and so disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, provided, that the Vendee and the Guarantor shall be given written notice of such sale as provided hereinabove. If such sale shall be a private sale, it shall be subject to the right of the Vendee and the Guarantor to purchase or provide a purchaser within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or at a better price. The Vendor may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale without accountability to the Vendee or the Guarantor (except to the extent of surplus money received as hereinafter provided in this Article 18), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all sums due to the Vendor from the Vendee hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time

and simultaneously and as often and in such order as may be deemed expedient by the Vendor, except as such exercise may expressly be limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others, except as such exercise may expressly be limited herein. No delay, except where time limits are expressly herein provided, or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

All sums of money realized by the Vendor under the remedies herein provided shall be applied, first to the payment of the expenses and liabilities of the Vendor herein undertaken to be paid, second to the payment of interest on the unpaid Purchase Price of the Equipment accrued and unpaid and third to the payment of the unpaid Purchase Price of the Equipment. If, after applying as aforesaid all sums of money realized by the Vendor, there shall remain any amount due to it under the provisions of this Agreement, the Vendee, subject to the provisions of the last paragraph of Article 3 hereof, shall pay the amount of such deficiency to the Vendor upon demand, and, if the Vendee shall fail to pay the full deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Vendee and the Guarantor. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee provided such application shall not be deemed to be a waiver of any right thereto against the Vendee which the Lessee may have under the Lease.

The Vendee, subject to the provisions of the last paragraph of Article 3 hereof, will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 18 are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto.

Article 19. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any state shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Vendee and the Guarantor to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale agreement and enforceable as such.

Except as otherwise provided in this Agreement, the Vendee and the Guarantor, to the full extent permitted by law, hereby waive all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Equipment, or any unit thereof, and any other requirements as to the time, place and terms of sale thereof, any other requirements with respect to the enforcement of the Vendor's rights hereunder and any and all rights of redemption.

Article 20. Extension not a Waiver. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Vendor's rights or the obligations of the Vendee or the Guarantor hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's or the Guarantor's obligations or the Vendor's rights hereunder with respect to any subsequent payments or defaults therein.

Article 21. Recording. The Vendee will cause this Agreement, the first assignment hereof and any supplements hereto and thereto to be filed, recorded or deposited and refiled, re-recorded or redeposited, with the Interstate Commerce Commission and otherwise as may be required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement (including the execution and filing of all financing statements and continuation statements in respect of the spare parts, included in the Equipment); and the Vendee will promptly furnish to the Vendor evidences of such filing, recording or depositing, and an opinion or opinions of counsel for the Vendee with respect thereto, satisfactory to the Vendor.

Article 22. Payment of Expenses. The Vendee will pay all reasonable costs and expenses (other than the fees and expenses of counsel for the Seller) incident to the preparation and execution of this Agreement and the first assignment of this Agreement, or any instrument supplemental thereto, including all fees and expenses of special counsel for the first assignee of this Agreement and for any party acquiring interests in such first assignment. For the purposes of this Article 22, if the first assignee is an agent or trustee, then any successor thereto shall be considered the first assignee.

Article 23. Notices. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Vendee at One Wynnewood Road, Wynnewood, Pennsylvania 19096;

(b) to the Guarantor, at Six Penn Center Plaza, Philadelphia, Pennsylvania 19104;

(c) to the Seller, at One Wynnewood Road, Wynnewood, Pennsylvania 19096;

(d) to any assignee of the Vendor, or of the Vendee, at such address as may have been furnished in writing to the Vendee, or the Vendor, as the case may be, and to the Guarantor, by such assignee;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement. The Vendee represents and warrants that its chief place of business is in the Commonwealth of Massachusetts.

Article 24. Satisfaction of Undertakings. The obligations of the Vendee under Articles 7, 8, 9, 10, 11, 13, 14, 15, 21 and 22 hereunder shall be deemed in all respects satisfied by the Lessee's undertakings contained in §§ 4, 5, 7, 8, 10, 13, 14, 15 of the Lease. The Guarantor shall be liable in respect of its guaranty hereunder for such obligations under said Articles whether or not the Lease is in effect. The Vendee shall not have any re-

sponsibility for the Lessee's failure to perform such undertakings, but if the same shall not be performed they may constitute the basis for an event of default hereunder pursuant to Article 17.

Article 25. Effect and Modification of Agreement. This Agreement, and the annexes relating hereto, exclusively and completely state the rights and agreements of the Vendor, the Vendee and the Guarantor with respect to the Equipment and supersede all other agreements, oral or written, with respect to the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Vendor, the Vendee and the Guarantor.

Article 26. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or of any financing statement or continuation statement as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

Article 27. Definitions. The term "Vendor", whenever used in this Agreement, means, before any assignment of any of its rights hereunder, Lease Financing Corporation and any successor or successors for the time being to its properties and business, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor or assignors as regards any rights hereunder that are retained or excluded from any assignment; and the term "Seller", whenever used in this Agreement, means both before and after any such assignment, Lease Financing Corporation and any successor or successors for the time being to its properties and business.

Article 28. Execution. This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Amendment is dated as of December 1,

1968, for convenience the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers thereunto duly authorized, and their respective corporate seals hereunto to be affixed and duly attested:

LEASE FINANCING CORPORATION

By D. Paul Merritt
President

SEAL

Attest: Morris H. Wolff
Assistant Secretary

FRAZER LEASING CORPORATION

By Louis G. Setzer
Vice President

SEAL

Attest: Dolly Lowrie
Assistant Secretary

PENN CENTRAL COMPANY

By Paul Ford
Assistant Vice President

SEAL

Attest: J. J. Cunningham
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF MONTGOMERY :

On this 19 day of December, 1968, before me personally appeared Louis A. Zehner, Jr., to me personally known, who, being by me duly sworn, says that he is a Vice President of FRAZER LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

✓ Ernest J. Frey
Notary Public

21, 149, 6/21/71

My commission expires: ~~5/25/70~~

COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF PHILADELPHIA :

On this 20th day of December, 1968, before me personally appeared R. W. LODER to me personally known, who, being by me duly sworn, says that he is the Assistant Vice President of PENN CENTRAL COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William J. O'Neill
Notary Public
WILLIAM J. O'NEILE

Notary Public, Philadelphia, Philadelphia Co.

My Commission Expires June 26, 1972
My commission expires:

SEAL

COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF MONTGOMERY :

On this 19 day of December, 1968, before me personally appeared D. CHARLES MERRIWETHER, to me personally known, who, being by me duly sworn, says that he is President of LEASE FINANCING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. Gerald Dwyer
Notary Public

My Commission Expires 12/25/70 ^{6/21/71}

SEAL

ANNEX B

<u>Description</u>	<u>No.of Units</u>	<u>Purchase Price Unit/Total</u>	<u>Reconstruction Price</u>	<u>Total Base Price</u>
40' Box Cars to transfer cabooses- Penn Central Nos. 18265 to 18291 incl.	17	\$1700/28,900	\$13,478/229,126	\$15,178/258,026
40' Box Cars to 50' Box Cars-Penn Central Nos. 164450 to 164649 incl.	200	\$1700/340,000	\$7900/1,580,000	\$9,600/1,920,000
40' Box Cars rebuilt Penn Central Nos. 137946 to 138012 incl.	67	\$3500/234,500	\$5700/381,900	\$9200/616,400
Total		<u>\$603,400</u>	<u>\$2,191,026</u>	<u>\$2,794,426</u>

All of the above cars are to be delivered to Vendee at the Altoona, Pennsylvania shops of Penn Central Company during November and December, 1968.